

Congressman Paul's Statement in Opposition to H.Res. 552

September 4, 2007

Madame Speaker, I rise in opposition to H.Res. 552, "Calling on the Government of the People's Republic of China to remove barriers to United States financial services firms doing business in China."

Attempting to force the hand of the Chinese government by requiring them to open their markets to US financial services firms is akin to playing with fire. Politicians today fail to realize just how deeply our profligate fiscal and monetary policies of the past three decades have left us in debt to China. The Chinese government holds over one trillion dollars in reserves, leaving the future of the dollar highly vulnerable to the continued Chinese demand.

While I am in favor of unencumbered free trade, free trade cannot be enforced through threats or by resorting to international protectionist organizations such as the WTO. Even if the Chinese are recalcitrant in opening up their markets, it is not the role of the United States government to lecture the Chinese government on what it should or should not do in its own economy.

H.Res. 552 is a blatant encroachment on the sovereignty of the Chinese government. Were the Chinese government to pressure us into allowing greater access to the US market for Chinese financial services firms, or to pressure us into allowing the sale of firms in strategic sectors of the market, we would justifiably resist this pressure.

Diplomatic efforts cannot work through blustering language and vague retaliatory threats. It requires an awareness both of the many benefits of trade with China and the fact that our current trade imbalances are largely the responsibility of our trade policies. We must

understand that China is not a 98-pound weakling who can be bossed around. If we treat other countries with respect and as equal partners, we might be pleased to find that our requests receive a more attentive ear.